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REGULATORY AUTH.

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OFFICE OF THE
EXECUTIVE SECRETARY

April 16, 2002

Mr. David Waddell
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Mr. Waddell:

In response to your data request referencing Docket No. 02-00130, I am offering the following responses.

First, I would like to reference your data request dated March 26, 2002 where in request No. 5, the TEC Companies do not jurisdictionally separate its costs for rate purposes and further has not deducted Part 36/69 costs attributed to the tax savings created by 2001 Public Chapter No. 195.

Further response is that TEC's subsidiaries' rates are residually set. TEC's subsidiaries are average schedule and the data request dated April 10, 2002 is not applicable.

Further, TEC requests that the tariffs filed April 4, 2002 be approved so that the tax savings resulting from the aforementioned law flow through to the TEC subscribers beginning May 1, 2002.

Sincerely,

Gregory Eubanks
Director, Regulatory Accounting

GE/nd

cc: Mr. Tommy Ott
Ms. Lera Roark

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